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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.3

## PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this 16th day of July , 2009, by and between HITEK TINKESTMENT CIRCUP

L.L.C.		hose address is _	P.O. 130X	779, Co	LLEYVILLE	Tr 76031
Lassag. All printed portions of the	as Lessor, and DA	ALE PROPERTY SE	RVICES, L.L.C., 210	Ross Avenue, S	uite 1870 Dallas Tex	(as 75201 , as
prepared jointly by Lessor and L	h bonus in hand paid and the covenants					
O.50 ACRES OF LAN	ID, MORE OR LESS, BEING LO , AN ADDITION N THAT CERTAIN PLAT RECO	OT(S) <u>12/22</u> N TO THE CITY ORDED IN VOLU	_, BLOCK(S) <u>/</u> OF HURST, BE JME <b>1, 88-18</b> 9	<u>a (gv</u> gOUT ING MORE PA , PAGE <u>4</u> (	OF THE <u>U</u> B ARTICULARLY DI OF THE PLA	Subdivision ESCRIBED BY AT RECORDS
in the county of TARRANT, Streversion, prescription or othery substances produced in associ commercial gases, as well as higher and now or hereafter owned by Lessor agrees to execute at Les.	ate of TEXAS, containing .5 cycles, for the purpose of exploring for, containing the purpose of exploring for, contained the purpose of exploring for, contained the purpose of exploring the purpose of exploring the purpose of the p	developing, producing seismic operations) pove-described lease to the above-described instruments for ental instruments for	ng and marketing oil  The term "gas" as ed premises, this leas cribed leased premise a more complete or a	and gas, along wi s used herein inc se also covers acc ss, and, in conside sccurate description	th all hydrocarbon an ludes helium, carbon retions and any small ration of the aforemen n of the land so covere	d non hydrocarbon dioxide and other strips or parcels of dioned cash bonus, ed. For the purpose
or gas or other substances cove effect pursuant to the provisions	aid-up" lease requiring no rentals, shall b red hereby are produced in paying quan hereof. d other substances produced and sayed	tities from the lease	d premises or from lar	nds pooled therewi	th or this lease is othe	rwise maintained in
there is such a prevailing price) be valorem taxes and production, substances, provided that Lesse the same field (or if there is no s contracts entered into on the sa any time thereafter one or more paying quantities or such wells a well or wells shall nevertheless I wells are shut-in or production the made to Lessor or to Lessor's of said 90-day period while the operations, or if production is be the 90-day period next following shall not operate to terminate thi	d other substances produced and saved facilities, the royalty shall be wellhead or to Lessor's credit at the oil market price then prevailing in the same for production of similar grade and gravity of the saved and gravity of the saved are shall have the continuing right to purce uch price then prevailing in the same field me or nearest preceding date as the data wells on the leased premises or lands are waiting on hydraulic fracture stimulations deemed to be producing in paying quiere from is not being sold by Lessee, this credit in the depository designated belowell or wells are shut-in or production the stimulation of such operations or production of such operations or production is lease.	e field (or if there is ity; (b) for gas (incluadity; (b) for gas (incluadity) of the costs incurred thase such productions, then in the neare te on which Lessee pooled therewith a on, but such well or uantities for the purper lessee shall payow, on or before the there from is not be wells on the leased pion. Lessee's failure	no such price then p ding casing head gas proceeds realized by by Lessee in deliver on at the prevailing w st field in which there commences its purch re capable of either p wells are either shut- iose of maintaining the shut-in royalty of one end of said 90-day pe ing sold by Lessee; poremises or lands pood e to properly pay shut-	revailing in the sar ) and all other sub Lessee from the saing, processing or eilhead market prinis such a prevailing ases hereunder; a production the slease. If for a production the rod and thereafter provided that if this led therewith, no sin royalty shall ren	ne field, then in the ne istances covered here! ale thereof, less a proper otherwise marketing to e paid for production g price) pursuant to come or other substances ere from is not being so eriod of 90 consecutives to covered by this least on or before each and s lease is otherwise be thut-in royalty shall be ider Lessee liable for the stances of the stances of the stances of the stances of the stances in the stances of the stances of the stances of the s	parest field in which by, the royalty shall by, the royalty shall orotionate part of ad such gas or other of similar quality in imparable purchase the primary term or covered hereby in old by Lessee, such e days such well or be, such payment to niversary of the end eing maintained by due until the end of he amount due, but
which shall be Lessor's deposito check or by draft and such paym at the last address known to Les	ants under this lease shall be paid or tell ry agent for receiving payments regardle lents or tenders to Lessor or to the depo- isee shall constitute proper payment. If essor shall, at Lessee's request, deliver	ess of changes in the sitory by deposit in the depository shou	e ownership of said la the US Mails in a star ld liquidate or be succ	nd. All payments on mped envelope add seeded by another	r tenders may be mad dressed to the deposite institution, or for any r	e in currency, or by ory or to the Lessor eason fail or refuse
<ol><li>Except as provided for in premises or lands pooled there pursuant to the provisions of P nevertheless remain in force if L</li></ol>	n Paragraph 3. above, if Lessee drills a with, or if all production (whether or no laragraph 6 or the action of any gover essee commences operations for reworl pooled therewith within 90 days after co	t in paying quantitie nmental authority, t king an existing well	es) permanently ceas then in the event this for for drilling an addi	es from any cause s lease is not othe tional well or for o	e, including a revision erwise being maintain therwise obtaining or r	of unit boundaries led in force it shall estoring production

pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production there from, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as i

a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days

after essee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to

pay or tender shut-in royalities hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalities shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

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10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, producer. store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures,

equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements s

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

SSOR (WHETHER ONE OR MORE) HETCH LINGSTMEN	or Gelling C.L.C.
Signature: Signature:	Signature:
Printed Name: Salin Calin.	Printed Name:
Title. President	
STATE OF TEXAS COUNTY OF TARRANT	DGMENT
	f, 2009, by
	Notary Public, State of Texas Notary's name (printed): Notary's commission expires:
STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on theday of	<b>DGMENT</b>
	Notary Public, State of Texas Notary's name (printed): Notary's commission expires:
CORPORATE ACKN	OWLEDGMENT
STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on the	July 2009, by Salin b lalani Slaver Suran Line Linited Lichelit  Notary Public, State of Texas Notary's name (printed):

Notary's commission expires:

ROBERT W. BUSSEY III Notary Public, State of Texas My Commission Expires August 24, 2011



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

**DALLAS** 

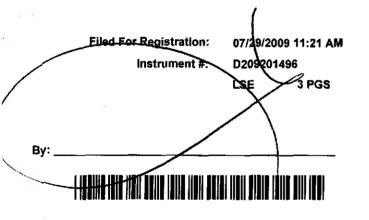
TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00



D209201496

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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